

# NEWS

NEW JERSEY DEPARTMENT OF

**LWD**  
LABOR AND WORKFORCE DEVELOPMENT  
n j . g o v / l a b o r

Contact: Robert Corrales

Tel: (609) 292-0306

Fax: (609) 777-3634

State of New Jersey

Department of Labor and

Workforce Development

PO Box 110

Trenton, New Jersey

08625-0110

---

**RE: Proposed Readoption with Amendments:**

**N.J.A.C. 12:15 Scope: Unemployment Compensation and Temporary Disability  
Benefits General Provisions; Disclosure of Information**

Attached please find the above-referenced matter which was published in the Tuesday, July 5, 2005 *New Jersey Register*.

If you have any questions, please contact David Fish, Regulatory Officer at 609-292-2789.

# LABOR AND WORKFORCE DEVELOPMENT

(a)

## WORKFORCE NEW JERSEY

### Unemployment Compensation and Temporary Disability Benefits General Provisions; Disclosure of Information

#### Proposed Readoption with Amendments: N.J.A.C. 12:15

Authorized By: Thomas D. Carver, Commissioner, Department of Labor and Workforce Development.

Authority: N.J.S.A. 34:1-20, 34:1A-3(c), 43:21-1 et seq. and 44:8-114.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2005-246.

A public hearing on the rules proposed for readoption with amendments will be held on the following date at the following location:

Monday, July 25, 2005

10:00 A.M. to 12:00 Noon

New Jersey Department of Labor and Workforce Development

John Fitch Plaza

13th Floor Auditorium

Trenton, New Jersey 08625

Please call the Office of Legal and Regulatory Services at (609) 292-7375 if you wish to be included on the list of speakers.

Submit written comments by September 3, 2005 to:

Frederick S. Cohen, Executive Director

Office of Legal and Regulatory Services

New Jersey Department of Labor and Workforce Development

PO Box 110, 13th Floor, Suite G

Trenton, New Jersey 08625-0110

Fax: (609) 292-8246

If you need this document in Braille, large print or audio cassette, contact the Office of Communications at (609) 292-7832 or NJ Relay (TTY) 1-800-852-7899.

The agency proposal follows:

#### Summary

Pursuant to N.J.S.A. 52:14B-5.1c, N.J.A.C. 12:15, Scope, is scheduled to expire on December 9, 2005. The Department of Labor and Workforce Development has reviewed these rules proposed for readoption and has determined them to be necessary, reasonable, and proper for the purpose for which they were originally promulgated with non-substantive amendments to reflect the formal name change of the Department of Labor to the Department of Labor and Workforce Development.

A summary of the sections proposed for readoption follows:

N.J.A.C. 12:15-1.1 sets forth the purpose and scope of the rules, which are designed to assist in the implementation of the basic provisions of the laws pertaining to unemployment compensation and temporary disability benefits, N.J.S.A. 43:21-1 et seq.

N.J.A.C. 12:15-1.2 states the 2005 maximum weekly benefit rate for benefits under the Unemployment Compensation Law and for State Plan benefits under the Temporary Disability Benefits Law.

N.J.A.C. 12:15-1.3 sets forth the 2005 taxable wage base for the purpose of contributions under the Unemployment Compensation Law in accordance with N.J.S.A. 43:21-7(b)(3).

N.J.A.C. 12:15-1.4 states the 2005 contribution rate for governmental entities and instrumentalities that elect to pay contributions under the Unemployment Compensation Law.

N.J.A.C. 12:15-1.5 outlines the amount of earnings required in 2005 to establish a base week for an individual's claim for unemployment compensation and State Plan temporary disability benefits.

N.J.A.C. 12:15-1.6 states the amount of base year earnings required to establish an individual's eligibility for unemployment compensation and State Plan temporary disability benefits in those instances in which the individual has not established 20 base weeks.

The rules at N.J.A.C. 12:15-1.2 through 1.6 are amended annually to reflect current statistics.

The rules at N.J.A.C. 12:15-2 concern the disclosure of information provided to the Department in the course of administering the New Jersey Unemployment Compensation and Temporary Disability Benefits Laws, N.J.S.A. 43:21-1 et seq. These rules are necessary to ensure that the confidentiality of information provided to the Department by claimants and employers is maintained.

N.J.A.C. 12:15-2.1 sets forth the general prohibition against the disclosure of information obtained by the Department for purposes of administering the Unemployment Compensation and Temporary Disability Benefits Laws.

N.J.A.C. 12:15-2.2 delineates the requirements for the authorized disclosure of information to certain individuals and entities.

N.J.A.C. 12:15-2.3 provides that any request for the release of information connected with the proper presentation of an unemployment or temporary disability insurance claim before the Appeal Tribunal or the Board of Review shall be considered in accordance with N.J.A.C. 1:12-10.1.

N.J.A.C. 12:15-2.4 notes that the disclosure of information in violation of Federal regulation is unauthorized.

As the Department has provided for a 60-day comment period for this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

#### Social Impact

The rules proposed for readoption with amendments will continue to have a positive social impact in that they will enable the Department to continue providing needed Unemployment and Temporary Disability benefits to all covered workers. N.J.A.C. 12:15-1.1, regarding purpose and scope, will have no social impact, in and of itself. N.J.A.C. 12:15-1.2 will ensure an increase in the amount paid to Unemployment Compensation and Temporary Disability Insurance recipients consistent with the appreciation of wages

within the State, thus preserving the real purchasing power of those receiving benefits. N.J.A.C. 12:15-1.3 will generate revenues for the Unemployment Compensation and Temporary Disability Insurance trust funds. These revenues are needed in order to offset the increased level of benefits for these programs, which are statutorily indexed to the upward trend of wages in the State's economy. N.J.A.C. 12:15-1.4 sets forth the contribution rate for governmental entities and, consequently, helps ensure that there are sufficient funds to sustain the Unemployment Compensation program. N.J.A.C. 12:15-1.5 and 1.6 outline the amount of earnings required in 2005 to establish a base week and indicate the amount of base year earnings required to establish Unemployment Insurance and State Plan Temporary Disability Insurance benefits, where one has not established 20 base weeks. Thus, the public is placed on notice of, and has easy access to, information necessary to determine eligibility for Unemployment Insurance and Temporary Disability Insurance benefits.

The rules proposed for readoption with amendments also enable the Department to protect the confidentiality of information obtained by the Department of Labor and Workforce Development in the course of administering the New Jersey Unemployment Compensation and Temporary Disability Benefits Laws. The rules proposed for readoption with amendments will provide workers and employers with assurance that information they provide to the Department is not disclosed without their explicit written authorization or a court order unless the release of such information is otherwise provided for by State or Federal law.

**Economic Impact**

By clarifying the purpose and scope of the Unemployment Compensation and Temporary Disability Benefits Laws, the rules proposed for readoption with amendments will eliminate unnecessary expense to employers which may result from their lack of knowledge and understanding of those laws.

N.J.A.C. 12:15-1.1 has no economic impact, in and of itself.

N.J.A.C. 12:15-1.2 sets forth the weekly benefit rates received by individuals eligible for the maximum weekly benefit rate under the Unemployment Compensation Law and under the Temporary Disability Benefits Law, beginning January 1, 2005, in compliance with statutory provisions which automatically adjust these benefit rates each year in accordance with changes in the Statewide average weekly wage. The maximum weekly benefit for Unemployment Compensation is computed as 56½ percent of the Statewide average weekly wage in the second preceding calendar year. As of January 1, 2005, the maximum weekly benefit increased from \$490.00 to \$503.00, which resulted in an increase in benefits for claimants.

The maximum weekly benefit for State Plan Temporary Disability is computed as 53 percent of the Statewide average weekly wage in the second preceding calendar year. As of January 1, 2005, the maximum weekly benefit increased from \$459.00 to \$470.00, again increasing the amount of benefits for claimants.

N.J.A.C. 12:15-1.3 establishes \$24,900 as the wage amount of an individual employee of an employer that is subject to employer and worker contributions under the Unemployment Compensation Law, beginning January 1, 2005. An increase or decrease in this amount is directly proportional to an increase or decrease in the contributions due from employees and employers.

N.J.A.C. 12:15-1.4 states the contribution rate for governmental entities, now at 0.4 percent for 2005.

N.J.A.C. 12:15-1.5 sets forth the amount an individual must earn to establish a base week under the Unemployment Compensation and Temporary Disability Benefits Laws. The amount is computed as 20 times the State minimum hourly wage in effect as of October 1 of the preceding calendar year and promulgated as being \$103.00 per week for calendar year 2005.

N.J.A.C. 12:15-1.6 outlines the alternative earnings eligibility standard under the Unemployment Compensation and Temporary Disability Benefits Laws in those situations where the individual has not established 20 base weeks in the base year period. The amount will remain \$5,200 in 2005.

The rules proposed for readoption with amendments also sets forth requirements concerning the disclosure of information in accordance with the Unemployment Compensation and Temporary Disability Benefits Laws. Such requirements include the payment of administrative costs for copying of records. These costs are borne by individuals and entities requesting the information and are determined in accordance with the Right to Know Law, N.J.S.A. 47:1A-2. They are necessary to offset the administrative costs of copying records. Other costs associated with these rules are those associated with maintaining the confidentiality of information (that is, security equipment, supplies or staff) and providing the results of research based on the disclosed information to the Department upon request. Again, such costs are expected to be minimal.

**Federal Standards Statement**

The rules proposed for readoption with amendments do not exceed standards or requirements imposed by Federal law. Specifically, the subject rules are consistent with the Federal Unemployment Tax Act, 26 U.S.C. §§3301 et seq., and the regulations promulgated in accordance therewith, 20 C.F.R. §§601 et seq. Consequently, a Federal standards analysis pursuant to Executive Order No. 27(1994) is not required.

**Jobs Impact**

The Department does not anticipate an increase or decrease in the current number of jobs as a result of the rules proposed for readoption with amendments.

**Agriculture Industry Impact**

The rules proposed for readoption with amendments will have no impact on the agriculture industry.

**Regulatory Flexibility Statement**

As discussed in the Summary above, the rules proposed for readoption with amendments do not impose any reporting, recordkeeping or other compliance requirements on small businesses as that term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-1 et seq. Therefore, a regulatory flexibility analysis is not required.

**Smart Growth Impact**

The rules proposed for readoption with amendments will not have an impact on the achievement of smart growth or the implementation of the State Development and Redevelopment Plan.

**Full text** of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 12:15.

**Full text** of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

**SUBCHAPTER 1. GENERAL PROVISIONS****12:15-1.1 Purpose and scope of rules and regulations**

(a) (No change.)

(b) The unemployment benefits are paid from moneys contributed to a State Unemployment Compensation Fund, and temporary disability benefits from moneys contributed to the State Disability Benefits Fund or from private plans approved by the Department of Labor and Workforce Development and established by employers for such purposes.

(c) (No change.)

**SUBCHAPTER 2. DISCLOSURE OF INFORMATION****12:15-2.2 Authorized disclosure of information**

(a) Disclosure of any information in the course of administering the New Jersey Unemployment Compensation and Temporary Disability Benefits Laws may be authorized in the following cases for the following purposes:

1.-4. (No change.)

5. To officers or administrators of public or private organizations such as colleges, universities, or foundations to perform research or engage in public service activities, which can be expected to benefit the residents of New Jersey by improving or promoting their health, safety, economic or social well-being, provided that the benefit of such research or public service activity to New Jersey residents is certified in writing by the administrator of the New Jersey municipal, county or State executive agency, or his or her designated representative, and provided that such disclosure shall not impede the operation of, and is not inconsistent with, the purposes of the New Jersey Unemployment Compensation and Temporary Disability Benefit Laws, and provided that the officer or administrator of the agency engaged in research or other public service activities certifies in writing that the confidentiality of the disclosed information shall be maintained and provided that the agency agrees to share the results of any research based on the disclosed information with the Department of Labor and Workforce Development upon request.

(b) (No change.)